

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 11, 2004

IN RE:

**PETITION OF TENNESSEE AMERICAN
WATER COMPANY TO CHANGE AND
INCREASE CERTAIN RATES AND
CHARGES SO AS TO PERMIT IT TO
EARN A FAIR AND ADEQUATE RATE
OF RETURN ON ITS PROPERTY USED
AND USEFUL IN FURNISHING WATER
SERVICE TO ITS CUSTOMERS**

**DOCKET NO.
04-00288**

**ORDER GRANTING PETITION FOR INTERVENTION AND ESTABLISHING A
PROCEDURAL SCHEDULE**

This matter is before the Tennessee Regulatory Authority (the "Authority") upon the Petition of Tennessee American Water Company (the "Company" or "TAWC") filed on September 10, 2004 ("*Petition*") to change and increase certain rates and charges so as to permit it to earn a fair and adequate rate of return on its property used and useful in furnishing water service to its customers.

During a regularly scheduled Authority Conference held on September 27, 2004, Chairman Pat Miller, Director Deborah Taylor Tate and Director Sara Kyle, the voting panel assigned to this docket, unanimously voted to appoint the General Counsel or his designee to act as Hearing Officer in this proceeding for the purpose of hearing preliminary matters and setting a procedural schedule to completion. On October 1, 2004, the Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") filed a *Petition to Intervene* in this proceeding.

INTERVENTION

Tenn. Code Ann. § 4-5-310(a) sets forth the following criteria for granting petitions to intervene:

(a) The administrative judge or hearing officer shall grant one (1) or more petitions for intervention if;

(1) The petition is submitted in writing to the administrative judge or hearing officer, with copies mailed to all parties named in the notice of the hearing, at least seven (7) days before the hearing;

(2) The petition states facts demonstrating that the petitioner's legal rights, duties, privileges, immunities or other legal interest may be determined in the proceeding or that the petitioner qualifies as an intervenor under any provision of the law; and

(3) The administrative judge or hearing officer determines that the interests of justice and the orderly and prompt conduct of the proceedings shall not be impaired by allowing the intervention.

In its petition, the Consumer Advocate asserts that the rate increase proposed by TAWC is too high and is not just and reasonable under the attendant circumstances. In addition, the Consumer Advocate states concerns about the proposed rate design.

The Hearing Officer finds that the legal rights and interests of Tennessee consumers may be determined in this proceeding and that the Consumer Advocate's petition is timely and its intervention will not impair the orderly and prompt conduct of these proceedings. For these reasons and applying the standards set forth in Tenn. Code Ann. § 4-5-310(a), the Hearing Officer grants the Consumer Advocate's *Petition to Intervene*.

PROCEDURAL SCHEDULE

To assist in the preparation of this matter for a Hearing, the Hearing Officer establishes the following schedule in this docket:

Status Conference

Tuesday, October 26, 2004 at 10:00 a.m.

All Discovery Requests Served

Monday, November 15, 2004

**Responses and Objections to
Discovery Filed**

Wednesday, December 1, 2004

**Status Conference on Discovery
Issues (if needed)**

Tuesday, December 14, 2004 at 10:00 a.m.

**Supplemental Responses to
Discovery Due (if needed)**

Tuesday, December 21, 2004

Direct Testimony Due

Tuesday, January 11, 2005

Rebuttal Testimony Due

Tuesday, January 18, 2005

Pre-Hearing Conference

Friday, January 21, 2005 at 10:00 a.m.

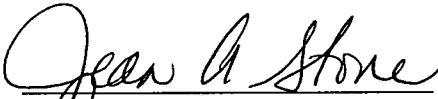
Hearing

**Monday, January 31, 2005 at 10:00 a.m.
through Thursday, February 3, 2005**

All filings are due by 2:00 p.m. (central) on the dates indicated.

IT IS THEREFORE ORDERED THAT:

1. The *Petition to Intervene* filed by the Consumer Advocate and Protection Division of the Office of the Attorney General on October 1, 2004 is granted. The Consumer Advocate may participate in this proceeding as its interests require and receive copies of any notices, orders or other documents filed herein.
2. The Procedural Schedule is established as set forth herein


Jean A. Stone, Hearing Officer